GOVERNMENT OF INDIA
CIVIL AVIATION
LOK SABHA

UNSTARRED QUESTION NO:2901
ANSWERED ON:07.12.2000
IMPROVEMENT IN AIR INDIA
K.H. MUNIYAPPA

Will the Minister of CIVIL AVIATION be pleased to state:

(a) whether Air India has shown improvement in its performance since its tie-up with Virgin Airlines for combined marketing efforts;

(b) if so, whether Air India has been successful in re-gaining its lost share on the overseas routes presently operating jointly with Virgin Airlines; and

(c) if so, whether the present arrangements with Virgin are likely to be continued?

Answer

THE MINISTER OF CIVIL AVIATION (SHRI SHARAD YADAV)

(a):- Yes, Sir.

(b): The market share in any area is not related solely to an Airline`s codeshare agreements with another airline. This is dependent on number of other factors which include : the airline`s own product, the segment of the market which is being catered to by the airline and competition from direct and indirect carriers. Since Air India`s code share with Virgin Atlantic is operative only from July this year, it is premature to assess the impact.

(c): The present agreement with Virgin Atlantic commenced from 05th July, 2000, is valid for 5 years with a provision that either airline can terminate the agreement with 6 months` notice, which can be served after 18 months from the commencement of operations.